



Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

Accountability Audit Report

Pierce County

For the period January 1, 2013 through December 31, 2013

Published December 31, 2014

Report No. 1013385





Washington State Auditor Troy Kelley

December 31, 2014

County Executive and Council
Pierce County
Tacoma, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for County operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the County's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

TROY KELLEY
STATE AUDITOR

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AUDIT SUMMARY

Results in brief

In the areas we audited, County operations complied with applicable requirements and provided adequate safeguarding of public resources. The County also complied with state laws and regulations and its own policies and procedures in the areas we examined.

About the audit

This report contains the results of our independent accountability audit of Pierce County from January 1, 2013 through December 31, 2013.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

Our audit involved performing procedures to obtain evidence about the County's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Accounting/financial reporting
- Billings/receivables
- Cash receipting
- Safeguarding of small and attractive assets
- Open public meeting minutes
- Purchase card use
- Conflict of interest/ethics laws
- Third-party cash receipting
- Investments
- Controls over key software applications
- Correction's Bureau
- Parks and Recreation
- Assessor/Treasurer
- Auditor's Office
- Payroll
- Payments/expenditures
- Procurement (bidding/prevaling wage)
- Public works contracts
- Contracts/agreements
- Gifts of public funds
- Interfund transactions/balances
- Imprest and trust accounts
- Use of restricted funds
- Citizen hotline
- Marine services
- Real Estate Excise Tax (REET) river improvement
- Second REET parks

- Clerk of the Superior Court
- District Court
- Sheriff's Office
- Miscellaneous current expense
- Planning and Land Services
- Auditor's maintenance and operations
- Criminal Justice
- Conservation futures
- Information Technology
- Ferry services
- Second REET roads
- County roads
- Impact fees
- Paths and trails
- Treasurer's operation and maintenance
- Tourism, promotion and facilities
- Crystal Judson Family Justice Center
- REET electronic technology
- Airport

RELATED REPORTS

Financial

Our opinion on the County's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the County's financial statements.

Federal grant programs

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the County's major federal programs, which are listed in the Federal Summary section of the financial statement and single audit report.

INFORMATION ABOUT THE COUNTY

Pierce County was incorporated in 1852 and operates under a Home Rule Charter adopted by voters in 1981. The County is organized under the executive-council form of government. Elected administrative officials include the County Executive (Chief Executive Officer), Prosecuting Attorney, Assessor-Treasurer, Auditor, Sheriff, Superior Court Judges and District Court Judges. The seven members of the County Council are elected from each of seven contiguous and equally populated districts and is the policy-setting body of the County.

For 2013, the County operated on an annual budget of \$894,164,243. The County's 2,997 employees provide services including public safety, fire inspection, road construction and maintenance (including ferry service from Steilacoom to Ketron and Anderson Islands), flood control, parks and recreation, judicial administration, land-use planning and development, health and social services, sewer utility services and certain solid waste programs. The County is the second most populated county in the state with 814,500 residents.

The County is responsible for appointing board members to the following boards: Pierce County Housing Authority, Community Development Corporation, Economic Development Corporation and Pierce Conservation District. Additionally, the County has joint ventures with the Tacoma-Pierce County Health Department and South Sound 911.

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Information current as of report publish date.

Audit history

You can find current and past audit reports for Pierce County at <http://portal.sao.wa.gov/ReportSearch>.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

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